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FINANCING OF THE UNITED NATIONS PEACE-KEEPING FORCES IN THE MIDDLE EAST

United Nations Disengagement Observer Force

United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financing of the United Nations Disengagement Observer Force (UNDOF) (A/49/553) and the United Nations Interim Force in Lebanon (UNIFIL) (A/49/644). During its consideration of the reports, representatives of the Secretary-General provided additional information to the Advisory Committee. In view of the limited time available for the Advisory Committee to transmit its reports to the Fifth Committee, the Advisory Committee's comments and recommendations on these peace-keeping operations in the paragraphs below are abbreviated.

I. UNITED NATIONS DISENGAGEMENT OBSERVER FORCE

2. UNDOF was established by the Security Council in its resolution 350 (1974) of 31 May 1974; its mandate has since been extended, most recently by the Council in its resolution 962 (1994) of 29 November 1994, for another period of six months until 31 May 1995.

3. General Assembly action for the financing of UNDOF is indicated in paragraphs 1 to 3 of the Secretary-General's report (A/49/553). The status of assessed contributions is given in paragraphs 5 and 6 of the same document and as mentioned in paragraph 6 the outstanding balance in assessed contributions has increased by $13.9 million, from $58.6 million on 31 October 1993 to $72.5 million on 30 September 1994.

4. As stated in paragraphs 13 and 14 of the Secretary-General's report, the audited financial statement for the period from 1 December 1991 to 30 November 1992 shows a surplus balance of $5,330,932 and that for the period from 1 December 1992 to 30 November 1993 shows a surplus balance of $3,775,797. As indicated in paragraph 10 of the Secretary-General's report, full reimbursement has been made on a current basis to troop-contributing Member States. On that basis, as indicated in paragraph 15 and in annex X to the report, the Secretary-General states that it would be feasible to surrender as credits to Member States the surplus balance for the period from 1 December 1991 to 30 November 1992 ($5,330,932), and the surplus balance for the period from 1 December 1992 to 30 November 1993, a total of $9.1 million. However, for reasons mentioned in paragraphs 22-26 of his report, the Secretary-General is not proposing such a course of action.

5. As indicated in paragraph 17 of the Secretary-General's report, in its resolution 33/13 E of 14 December 1978, the General Assembly suspended the provisions of United Nations financial regulations 5.2 (b), 5.2 (d), 4.3 and 4.4 in respect of those amounts which otherwise would have to be surrendered and directed that they be held in a suspense account pending further decision by the Assembly. As shown in annex X, the surplus balance held in a suspense account amounts to $64.9 million. After adjusting for the amount of $36 million transferred to a Special Account, the net surplus balance amounts to $28.9 million.

6. In paragraph 20 of its resolution 48/253, the General Assembly requested the Secretary-General to comment on the feasibility of a gradual reduction of the surplus balance held in the suspense account, taking into account the financial situation of the Force, the status of troop-contributing countries and the views expressed by Member States. The Advisory Committee, taking into account the balance in the suspense account (see para. 5 above), the status of assessed contributions to UNDOF and the fact that full reimbursement in accordance with the standard rates of reimbursement has been made on a current basis to troop-contributing countries, does not see the need to enter the surplus balance of $9.1 million into the suspense account and recommends that this surplus be credited to Member States.

Financial performance for the period from 1 December 1993 to 30 November 1994

7. Annex I to the report shows the apportionment of resources provided to UNDOF for the period from 1 December 1993 to 30 November 1994, as well as estimated expenditure for the same period. Detailed information is provided in annex II to the report, which shows estimated savings against such items as civilian personnel costs ($260,000), attributable mainly to vacancies; premises/accommodation ($32,000), attributable to the relocation of UNDOF headquarters from Damascus to Camp Faouar; and equipment ($115,000), mainly generators and observation equipment. Overruns in expenditure are estimated for such items as military personnel costs, resulting from higher troop cost reimbursement owing to the delayed departure of the Finnish contingent in December 1993 and additional ration costs ($46,000); and transport operations, owing to higher requirements for spare parts and repair of vehicles and higher prices established by the local Government for petrol, oil and lubricants ($71,000).

8. Notwithstanding the above information, the Advisory Committee expects that a true financial performance report for the period from 1 December 1993 to 30 November 1994 will be submitted at a later stage.

Cost estimate for the period from 1 December 1994 to 30 November 1995

9. The Security Council, by its resolution 962 (1994) of 29 November 1994, extended the mandate of UNDOF until 31 May 1995. Accordingly, the Secretary-General is requesting that the General Assembly make appropriate provision for expenses of UNDOF for the period from 1 December 1994 to 30 November 1995. The Secretary-General estimates the cost of UNDOF to be $2,678,000 gross ($2,594,000 net) per month from 1 December 1994 onwards, amounting to $32,136,000 gross ($29,128,000 net) per annum. However, as indicated in annex III, total costs for the period are estimated at $32,131,000 gross ($31,132,000 net). The Advisory Committee was informed that the estimate in annex III was more accurate. Annex III shows 1992-1993 actual expenditure at $34,750,000 gross and 1993-1994 estimated expenditure at $31,787,000 gross.

10. The Advisory Committee recommends that the General Assembly appropriate the amount of $16,080,000 gross ($15,594,000 net) authorized and assessed in accordance with paragraph 18 of Assembly resolution 48/253 for the period from 1 June to 30 November 1994. Additionally, the Advisory Committee recommends that the General Assembly also appropriate an amount of $32,131,000 gross ($31,132,000 net) for the period from 1 December 1994 to 31 May 1995. For the period beyond 31 May 1995, should the Security Council renew the mandate of UNDOF, the Advisory Committee recommends that the General Assembly authorize the Secretary-General to enter into commitments at a monthly rate not exceeding $2,677,583 gross ($2,594,000 net) per month for the maintenance of the Force.

II. UNITED NATIONS INTERIM FORCE IN LEBANON

11. UNIFIL was established by the Security Council in its resolution 425 (1978) of 19 March 1978 for an initial period of six months and has since been extended, most recently by the Council in its resolution 938 (1994) of 28 July 1994 for a period of six months until January 1995.

12. The status of assessed contributions is shown in paragraph 6 of the Secretary-General's report (A/49/644); as indicated, the balance due of assessments as at 31 October 1994 was $235.2 million. The status of reimbursement to troop-contributing States is given in paragraphs 12-15 of the report; as indicated, as of 31 October 1994, the estimated amounts due to former and current troop-contributing States total $28.2 million and, in addition, an amount of $7.7 million is due as reimbursement to Governments for contingent-owned equipment for the period ending 31 December 1993.

13. Bearing in mind the status of unpaid contributions as well as the status of reimbursement to troop-contributing Governments and taking into account the comments of the Secretary-General in paragraphs 18 to 24 of his report, the Advisory Committee concurs in the Secretary-General's proposal in paragraph 29 (d) to enter the surplus balances of $5,780,416 covering the period

from 1 February 1991 to 31 January 1992 and $12,198,044 for the period from 1 February 1992 to 31 January 1993 into the suspense account.

14. With regard to the financial performance report for the period from 1 February 1994 to 31 January 1995, the Advisory Committee notes from annex II to the report that an amount of $1,928,000 has been shown as savings for military personnel costs. These estimated savings have been achieved as a result in reductions in troop strength and related travel and allowance costs. Savings of $709,000 are also projected against civilian personnel costs resulting from the high vacancy rate for staff in the Professional category. These savings have been offset by overruns in estimates for transport and air operations and equipment and supplies as explained in paragraphs 5 to 10 of annex II.

15. The Advisory Committee expects that a true financial report for the period from 1 February to 31 January 1995 will be submitted to it at a later stage.

16. With regard to the cost estimates for the period from 1 February 1995 to 31 January 1996, the Advisory Committee notes from annex III to the report that the Secretary-General is requesting an amount of $134,814,000 gross ($130,450,000 net). For this purpose the Secretary-General, in paragraph 25 (b) of his report, is seeking commitment authorization at a monthly rate of $11,234,500 gross ($10,870,830 net) from the General Assembly. The Advisory Committee recommends acceptance of this proposal, should the Security Council decide to renew the mandate of UNIFIL beyond 31 January 1996.